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## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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COUNTRY	East Germany	REPORT NO.	25X1
SUBJECT	The Investment Program for the Main Administration of the Polygraphic Industry as of May 1953	DATE DISTR.	25 November 1953
DATE OF INFO.		NO. OF PAGES	4
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		REFERENCES	

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.  
THE APPRAISAL OF CONTENT IS TENTATIVE.  
(FOR KEY SEE REVERSE)

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## CORRECTION

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An Information Report with the above heading [ ]  
[ ] was issued on 9 November 1953.

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This [ ] should be changed [ ]

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## NOTE:

[ ] plan of the Main Administration of Polygraphic Industry, the Ministry of Light Industry as of May 1953.

1. Financial Fulfillment Status

	<u>Planned Amount</u>	<u>Fulfillment</u>
Main installations	30,150,500	8,814,400
Subsidiary installations	2,715,000	621,900
Total	32,865,500	9,436,300

The unsatisfactory fulfillment is based on the fact that projects, principally those for the electric power installations and the Weissenborn fiberboard plant, were not finished.

2. The increase of 100 metric tons of cellulose planned by Zellstoffwerk Groeditz for the first quarter of 1953 was not effected, because the conveyor in the new wood-treating plant was not yet completely assembled. There was no further increase in capacity for the month of May in the Zellstoff- und Papierfabrik Trebsen, because the work could not be done on a steady basis owing to insufficient finances. An increase for the month of June 1953 was planned after an additional 500,000 east marks are made available. Of the increase of 300 metric tons of cellulose planned by Zellstoff- und Papierfabrik Weissenborn for the second quarter of 1953, only 100 metric tons was realized.

3. The following is an evaluation of the results and the functioning of the plan in the individual plants.

a. Zellstoffwerke Pirna

The amount allotted for investment in the plan was 1,087,000 east marks,

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(Note: Washington Distribution Indicated By "X"; Field Distribution By "#")

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of which 492,000 east marks were used. In order to put the boiler into operation, it is necessary that the traveling grate and the wet slag removing plant (Nassentschlacker) be delivered by August 1953, but the supplying plant, Feuerungsbau Greiz-Doehlau will not be able to meet this deadline. The delivery of the contact converter of the caustic soda plant in 1953 is questionable, since the supplying plant Elektro-Apparatebau "J. W. Stalin", Berlin-Treptow, made known that the converter could be expected only by the third quarter of 1954, provided that the material required for its construction was made available by the second quarter of 1953 at the latest.

b. Zellstoffwerke Greeditz

The amount allotted for investments in the plan was 361,700 east marks of which 192,900 east marks were used. The work is proceeding according to plan. The only difficulties are in the procurement of motors.

c. Zellstoff- und Papierfabrik Grossen

The amount allotted for investments in the plan was 1,164,000 east marks, of which 94,800 east marks were used. The low percentage of fulfillment is based on the fact that 1,000,000 east marks were allocated for the power installation in which little work could be accomplished since the plan is not yet finished.

d. Zellstoff- und Zellwollewerke Wittenberge

The planned amount for investments was 4,375,000 east marks, of which 2,167,300 east marks were used. Two transformers, each 1,250 kv.-a, two transformers, each 800 kv.-a, motors, cables, and plates are needed to complete the installations. The planned increase of 6,400 metric tons in the production of cellulose cannot be achieved in the second quarter of 1953. Four Kugelkocher, which were needed to effect this increase, could not be ordered, because Nagema Stassfurt did not have sufficient facilities for the production of this product.

e. Strohzellstoffwerk Philipp Mueller, Coswig

The planned amount for investments was 2,842,000 east marks, of which 851,500 east marks were used. The water-treating installation is only 10 percent completed, because it was first included in the investment plan after the start of the plan year. A turbine, which was ordered for 31 October 1953, from Turbinenfabrik Dresden, will not be delivered on time.

f. Zellstoff- und Papierfabrik Trebsen

The planned amount for investments was 824,000 east marks, however, 946,300 east marks were expended. The factory requires 1,902,700 east marks to carry out its investment plan, but only an additional 500,000 east marks was put at the factory's disposal. There is difficulty in the procurement of 23 metric tons of four-millimeter sheet metal, which is needed for pipes. In addition, VEB Elektromotorenwerk Wernigerode refused to deliver motors ahead of schedule, despite orders from the Ministry for General Machine Construction.

g. Zellstoff- und Papierfabrik Merseburg

The planned amount for investments was 3,675,000 of which 509,300 east marks were used. The low percentage of fulfillment results from the fact that the plans for the electric power installation (3,000,000 east marks) and the semicellulose installation (500,000 east marks) are not finished.

h. Zellstoff- und Papierfabrik Rosenthal

The planned amount for investments was 1,760,000, of which 902,300 east marks were used. The plan was not fulfilled, because various equipment for the fiberboard installation have not been delivered. The following

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pieces of equipment must be supplied before the construction can be begun: one "Walzenkammerfaserer" including steam pipe, stopper press, and control device; one three-plunger pressure pump (Drillingsstufenpresspumpe) (450 atmospheres absolute pressure) (delivery deadline is 30 September 1953); high-pressure fittings; two pumps for viscous substances; one pump for synthetic resin; motors and slide rails. By 30 May 1953, 35 motors were to be delivered by Elektromotorenwerk Wernigerode on orders from the Ministry of General Machine Construction, but the dates were extended to the end of the second quarter and the third quarter of 1953.

i. Zellstoff- und Papierfabrik Weissenborn

The planned amount for investments was 6,634,800 east marks, of which 1,311,000 east marks were used. The planned amount was decreased by 500,000 east marks in favor of the Trebsen factory on 30 May 1953. The plans for the fiberboard installation and for the electric power installation are not finished, which accounts for the low fulfillment percentage.

j. Papierfabrik Kriebstein

The planned amount for investments was 2,941,000, of which 441,000 east marks were used. The plans for the electric power installation and the paper machine are not finished. Therefore, only 65,800 of a planned 1,700,000 east marks have been used for the power program. Forty-nine railroad cars of machine parts have already been received from Austria for the paper machine.

4. A conference is scheduled for 6 June with the Freiburger Maschinenfabrik with a view to speed up the completion of fiberboard installations being made for Rosenthal and Weissenborn. It is hoped to put the first heating press in operation in Rosenthal by 1 September 1953 and the second by 1 November 1953. The equipment for Weissenborn is to be delivered by the end of the year so that the fiberboard installation there can be put into operation by 15 March 1954. Talks must also be pursued with the Ministry of General Machine Construction to insure that the turbines are delivered on time.

5. The State Planning Commission finally approved a second draft plan for 1954 on 13 May 1953. It provided for the following budget.

Main installations	42,835,000 east marks
Subsidiary installations	5,345,000 east marks
	48,180,000 east marks

6. ZPB<sup>2</sup> Heidenau was directed by the head of the Main Administration of the Polygraphic Industry to plan the following 1954 key projects:

<u>Project</u>	<u>Capacity Increase</u>	<u>Plant</u>
Turbine aggregate and boiler	3.2 megawatts	Groeditz electric power installation
Turbine assembly	3.2 megawatts	Trebsen electric power installation
Turbine aggregate and boiler	5.0 megawatts	Rosenthal electric power installation
Assembly of a 25-ton boiler	-	Weissenborn boiler installation
New cooker (Kocherei)		Pirna
Reconstruction of the "Steffgruben"	-	Groeditz
Semicellulose installation	-	Grossen
Water purifying plant	-	Lunzenau

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Newsprint paper installation  
(Zeitungsdruck-Papieranlage)

-

Kriebstein

Condenser paper installation  
(Kondensatoren-Papieranlage)

-

Koenigstein

7. The following is the monthly report for May 1953 on investments in training installations:

<u>Plant</u>	<u>Planned Amount (in thousands of east marks)</u>	<u>Fulfillment</u>	<u>Number of Trainees</u>	
			<u>Planned</u>	<u>Actual</u>
Papierfabrik Fockendorf (apprentices living quarters)	232.5	-	100	
Lehrkombinat <sup>3</sup> Otto Grotewohl, Leipzig	222.5	51.4	not available	240
Zellstoff- und Zellwollewerke Wittenberge, plant trade school	113.0	72.0	200 (remainder from 1952)	
Strohzellstoffwerk Philipp Mueller Coswig, expansion of an apprentice laboratory	20.0	7.7	not available	

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Comments:

1. Rolling shredder
2. Zentral-Projektierungs-Buero
3. Training combine

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